## ABSTRACT

A loyalty or reward point system that utilizes the pre-existing infrastructure of a typical credit card network. In one embodiment, a user makes a purchase at a merchant of a product using a credit card. The merchant contacts the acquiring bank (which may be any type of financial institution but is referred to generically herein as a bank) with which it has contracted for credit card network services, and as known in the art, will get an approval or decline message after the acquiring bank contacts the issuing bank of the credit card used by the purchaser. Assuming that the purchase transaction is approved, the user is awarded loyalty points from the merchant based on the amount of the purchase (e.g. 100 points for a $100 purchase). A central server resides on the credit card network and tracks the transaction between the merchant, the acquiring bank, and the issuing bank. A reward account is maintained on the central server on behalf of the merchant and the user, and the number of reward points in the user's account for that merchant is increased accordingly. In an alternative embodiment, the user's reward points are logged in an account maintained by the acquiring bank on behalf of the merchant (with which it has a contractual relationship) and the user. The user may redeem the reward points earned from the transaction with the merchant at a later time, or may redeem the points with another merchant on the credit card network, or may aggregate those reward points with those of other merchants into a central exchange account, and then redeem the aggregated points for goods or services from any approved merchant on the network, depending on the configuration of the system.